

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Tax-Exempt Bond Project
November 30, 2022

Rancho Colus, located at 1717 State Highway 20 in Colusa, requested and is being recommended for a reservation of \$1,042,352 in annual federal tax credits and \$6,013,566 in total state tax credits to finance the new construction of 48 units of housing serving families with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by Building Better Partnerships, Inc. & Sage Housing Group LLC and will be located in Senate District 4 and Assembly District 3.

The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers. The project financing includes state funding from the No Place Like Home (NPLH) program of HCD.

Project Number CA-22-630

Project Name Rancho Colus
Site Address: 1717 State Highway 20
 Colusa, CA 95932 County: Colusa
Census Tract: 60110002

Tax Credit Amounts	Federal/Annual	State/Total *
Requested:	\$1,042,352	\$6,013,566
Recommended:	\$1,042,352	\$6,013,566

* The applicant made an election not to sell (Certificate) any portion of the state credits.

Applicant Information

Applicant: Rancho Colus LP
Contact: Gustavo Becerra
Address: 1455 Butte House Road
 Yuba City, CA 95993
Phone: (530) 671-0220
Email: g.becerra@regionalha.org

General Partner(s) or Principal Owner(s): Rancho Colus-BBP, LLC
 SHG Rancho Colus LLC

General Partner Type: Nonprofit

Parent Company(ies): Building Better Partnerships, Inc.
 Sage Housing Group LLC

Developer: Building Better Partnerships, Inc.
 & Sage Housing Group LLC

Bond Issuer: California Municipal Finance Authority

Investor/Consultant: Enterprise Housing Credit Investments

Management Agent: John Stewart Company

Project Information

Construction Type: New Construction
 Total # Residential Buildings: 2
 Total # of Units: 49
 No. / % of Low Income Units: 48 100.00%
 Federal Set-Aside Elected: 40%/60%
 Federal Subsidy: Tax-Exempt/HUD Section 8 Project-based Vouchers (15 units - 30%)
 USDA RHS 538

Information

Housing Type: Large Family
 Geographic Area: N/A
 CTCAC Project Analyst: Jonghyun(Tommy), Shim

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percentage of Affordable Units
30% AMI:	15	31%
50% AMI:	9	19%
60% AMI:	24	50%

Unit Mix

12 1-Bedroom Units
24 2-Bedroom Units
13 3-Bedroom Units
49 Total Units

Unit Type & Number	2022 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
8 1 Bedroom	30%	\$438
6 2 Bedrooms	30%	\$526
1 3 Bedrooms	30%	\$607
5 2 Bedrooms	50%	\$877
4 3 Bedrooms	50%	\$1,013
4 1 Bedroom	60%	\$877
13 2 Bedrooms	60%	\$1,053
7 3 Bedrooms	60%	\$1,215
1 3 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$400,000
Construction Costs	\$13,143,887
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$758,000
Soft Cost Contingency	\$334,366
Relocation	\$0
Architectural/Engineering	\$1,000,000
Const. Interest, Perm. Financing	\$1,391,500
Legal Fees	\$195,000
Reserves	\$221,534
Other Costs	\$1,415,713
Developer Fee	\$2,600,000
Commercial Costs	\$0
Total	\$21,460,000

Residential

Construction Cost Per Square Foot:	\$284
Per Unit Cost:	\$437,959
True Cash Per Unit Cost*:	\$412,173

Construction Financing

Source	Amount
Wells Fargo Bank - Tax Exempt	\$11,244,873
Wells Fargo Bank - Taxable	\$755,127
Regional Housing Authority	\$600,000
Regional Housing Authority	\$400,000
Deferred Costs	\$221,534
Deferred Developer Fee	\$2,334,000
Tax Credit Equity	\$5,904,466

Permanent Financing

Source	Amount
USDA RHS 538	\$1,800,000
NPLH Competitive Funding	\$3,062,172
NPLH Noncompetitive Funding	\$500,000
Regional Housing Authority	\$600,000
Regional Housing Authority	\$400,000
Deferred Developer Fee	\$1,263,515
Tax Credit Equity	\$13,834,313
TOTAL	\$21,460,000

*Less Fee Waivers, Seller Carryback Loans, and Deferred Developer Fee

Determination of Credit Amount(s)

Requested Eligible Basis:	\$20,045,224
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$26,058,791
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$1,042,352
Total State Credit:	\$6,013,566
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,600,000
Investor/Consultant:	Enterprise Housing Credit Investments
Federal Tax Credit Factor:	\$0.86568
State Tax Credit Factor:	\$0.80000

Except as allowed for projects basing cost on assumed third party debt, the “as if vacant” land value and the existing improvement value established at application for all projects, as well as the eligible basis amount derived from those values, shall not increase during all subsequent reviews including the placed in service review, for the purpose of determining the final award of Tax Credits. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

Significant Information / Additional Conditions: None.

Resyndication and Resyndication Transfer Event: None.

Standard Conditions

If applicant is receiving tax-exempt bond financing from other than CalHFA, the applicant shall apply for a bond allocation from the California Debt Limit Allocation Committee’s next scheduled meeting, if not previously granted an allocation; shall have received an allocation from CDLAC; and, shall issue bonds within time limits specified by CDLAC.

The applicant anticipates financing more than 50% of the project aggregate basis with tax-exempt bond proceeds as calculated by the project tax professional. Therefore, the federal credit reserved for this project will not count against the annual ceiling.

State tax credit recipients are limited to cash distributions from project operations pursuant to California Revenue and Taxation Code Section 12206(d). By accepting the tax credit reservation, the applicant/owner is agreeing to comply with the statutory limitations and requirements.

CTCAC makes the preliminary reservation only for the project specified above in the form presented, and involving the parties referred to in the application. No changes in the development team or the project as presented will be permitted without the express approval of CTCAC.

The applicant must pay CTCAC a reservation fee calculated in accordance with regulation. Additionally, CTCAC requires the project owner to pay a monitoring fee before issuance of tax forms.

As project costs are preliminary estimates only, staff recommends that a reservation be made in the amount of federal credit and state credit shown above on condition that the final project costs be supported by itemized lender approved costs and certified costs after the buildings are placed in service.

All unexpended funds in reserve accounts established for the project must remain with the project to be used for the benefit of the property and/or its residents, except for the portion of any accounts funded with deferred developer fees.

All fees charged to the project must be within CTCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

If the applicant has requested the use of a CUAC utility allowance, CTCAC's Compliance staff will review the CUAC documentation for this project prior to placed in service. Until written approval is received from CTCAC, this project is not eligible to use a utility allowance based on the CUAC.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by CTCAC at placed-in-service.

Credit awards are contingent upon applicant's acceptance of any revised total project cost, qualified basis and tax credit amount determined by CTCAC in its final feasibility analysis.

CDLAC Additional Conditions

The applicant/owner is required to comply with the CDLAC Resolution. At the time of the CTCAC placed in service review, CTCAC staff will verify that the project is in compliance with all applicable items of CDLAC Resolution Exhibit A.